



Citation: 2013 BCSECCOM 187

## Notice of Hearing

### Weiying Jane Jin

#### Section 161 of the *Securities Act*, RSBC 1996, c. 418

- ¶ 1 The British Columbia Securities Commission (Commission) will hold a hearing at which the Executive Director will tender evidence, make submissions and apply for orders against Weiying Jane Jin (Jin) under sections 161, 162 and 174 of the *Securities Act*, R.S.B.C. 1996, c. 418 (Act), based on the following facts:

#### Background

1. Jin is a lawyer currently listed as a partner in the Beijing office of a Chinese law firm. On February 1, 2009 Jin was hired as a consultant at the Vancouver office of an international business law firm (Law Firm). Jin was an employee of the Law Firm during the events described in this Notice.
2. Hathor Exploration Limited (Hathor) was a mineral exploration company whose securities were listed on the Toronto Stock Exchange. Hathor was a client of the Law Firm.
3. CGNPC Uranium Resources Co. Ltd. (CGNPC) is a nuclear power company owned by the Chinese government.
4. Cameco Corporation (Cameco) is a reporting issuer based in Saskatoon, Saskatchewan, whose securities are listed on the Toronto Stock Exchange and the New York Stock Exchange.

#### Jin Trades with Inside Information about CGNPC

5. On June 2, 2011, Hathor entered into a confidentiality agreement with CGNPC.
6. CGNPC was interested in Hathor's uranium property holdings. The confidentiality agreement set out the terms under which CGNPC would review Hathor's properties and business, such that CGNPC could evaluate whether it would make an offer to acquire:
  - (a) an interest in Hathor's properties, or
  - (b) shares in the capital of Hathor.



7. In or about August of 2011, Hathor and CGNPC were engaged in negotiations regarding an amendment to the confidentiality agreement, which added the following terms (Amendment):
  - (a) an exclusivity clause that precluded Hathor from soliciting any other interest in its properties or in the company from August 13 to September 12, 2011; and
  - (b) a notification period, from September 12 to October 31, 2011 during which Hathor was obligated to inform CGNPC of any other offers, in order to allow CGNPC to make a competing offer.
8. Jin was assigned to the Hathor file on or about July 29, 2011. She was involved with the Amendment negotiations. Between at least August 2 and August 15, 2011, Jin authored, received, or was copied on several key emails to and from the Law Firm concerning Hathor's negotiations with CGNPC.
9. On Friday, August 12, 2011 at 6:50pm, Hathor emailed CGNPC copies of the confidentiality agreement and Amendment, signed by the President of Hathor, and requested that CGNPC sign it by the next day (Saturday, August 13, 2011), when the exclusivity period was to commence. Jin was copied on this email.
10. The confidentiality agreement and the Amendment were material facts in relation to Hathor.
11. On Monday, August 15, 2011, Jin transferred a total of \$50,622.06 into her self-directed cash trading account that had been largely dormant since December of 2007 (Trading Account).
12. On August 17, 2011, Jin purchased 6,000 shares of Hathor at \$2.88 per share. On August 18, 2011, Jin purchased an additional 3,000 shares at \$2.79 per share.

**Jin Trades with Inside Information about Cameco**

13. On August 19, 2011, the President of Hathor received a surprise proposal in which a different company, Cameco, offered to acquire Hathor at \$3.75 per share, in cash (Cameco Offer). The Cameco Offer was to remain open until Sunday, August 21, 2011. The President of Hathor immediately forwarded the Cameco Offer to the Law Firm.



14. Later on August 19, 2011, a partner at the Law Firm responded to Hathor by email, advising that barring an immediate acceptance of the Cameco Offer, it appeared that Cameco was planning a hostile takeover. The partner copied Jin on the email, and advised Hathor that she had consulted with Jin with respect to the Cameco Offer.
15. On Saturday, August 20, 2011, Jin received and acknowledged instructions from Hathor to keep the Cameco Offer confidential, and not to disclose it to CGNPC until otherwise advised.
16. The Cameco Offer was a material fact in relation to Hathor.
17. On Monday, August 22, 2011, Jin purchased 3,000 shares of Hathor at \$2.76 per share.
18. Prior to the opening of trading on August 26, 2011, Cameco disclosed the Cameco Offer to the public. Following that announcement, Hathor's stock price closed at \$3.88 per share, up 45% from the previous day's closing price of 2.67 per share.
19. On September 7, 2011, Jin sold all 12,000 of her Hathor shares at \$4.20 per share, an increase of 49% above her average purchase price, representing a net profit of \$16,424.

**Misconduct**

20. While in a special relationship with Hathor, and with knowledge of:
  - (a) the confidentiality agreement and Amendment with CGNPC between July 29, 2011 and August 18, 2011; and
  - (b) the Cameco Offer between August 19, 2011 and August 26, 2011;before such information was generally disclosed, the Respondent purchased shares of Hathor contrary to section 57.2(2) of the Act.
21. The Respondent's conduct described in this Notice of Hearing is contrary to the public interest.

**Orders Sought**

22. It is in the public interest that the Commission issue orders under sections 161 and 162 of the Securities Act.



### **Hearing Process**

- ¶ 2 The Respondents or their counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on **Tuesday, September 3, 2013, at 9:00 a.m.** if they wish to be heard before the Commission sets a date for the Hearing. Relevant information gathered by Commission Staff in the investigation of this matter will be disclosed to the Respondents upon request to the Executive Director.
  
- ¶ 3 At the Hearing, the Respondents may be represented by counsel, make submissions and tender evidence. The Respondents are requested to advise the Commission of their intention to attend the Hearing by informing the Secretary to the Commission at PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: commsec@bcsc.bc.ca.
  
- ¶ 4 If the respondents or their counsel do not appear at the hearing, the Executive Director may apply to have questions of liability and sanction heard at the same time. Determinations adverse to the Respondents may be made in their absence.
  
- ¶ 5 August 1 , 2013.  
  
Paul Bourque
  
- ¶ 6 Paul C. Bourque, Q.C.  
Executive Director